

VOYAGEUR MINERALS LTD.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2019

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited consolidated interim financial statements of Voyageur Minerals Ltd. (the "Corporation") have not been reviewed by the auditors of the Corporation. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

VOYAGEUR MINERALS LTD.

Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	August 31 2019	November 30 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 82,651	\$ 146,916
GST input tax credits	15,686	9,989
Mineral exploration tax credits	68,011	68,011
Inventory	10,114	-
Prepaid expenses	-	3,074
Amounts receivable (note 6)	4,501	1,500
	180,963	229,490
Reclamation deposits (note 7)	14,000	14,000
Property and equipment (note 4)	25,608	31,894
Exploration and evaluation assets (note 5)	1,124,225	991,084
Total assets	\$ 1,344,796	\$ 1,266,468
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 511,182	\$ 498,469
Flow through share premium liability (note 8)	2,600	-
Current portion of finance lease obligation (note 13)	8,943	8,584
Loans and interest payable (note 6)	103,493	-
Due to shareholders (note 6)	49,050	58,670
	675,268	565,723
Long-term liabilities		
Loans and interest payable (note 6)	-	137,905
Provision for reclamation obligations (note 7)	14,000	14,000
Finance lease obligation (note 13)	26,408	33,159
Total liabilities	715,676	750,787
SHAREHOLDERS' EQUITY		
Share capital (note 8)	2,815,459	2,330,786
Share subscriptions advanced	50,000	-
Contributed surplus	459,240	415,589
Deficit	(2,695,579)	(2,230,694)
Total shareholders' equity	629,120	515,681
Total liabilities and shareholders' equity	\$ 1,344,796	\$ 1,266,468

Nature of operations and going concern (note 1)

Commitments and contingencies (note 11)

Subsequent event (Note 14)

Approved on behalf of the Board:

Director	<i>"Brent Willis"</i>		<i>"Brad Willis"</i>
	Brent Willis		Brad Willis

The accompanying notes are an integral part of these consolidated interim financial statements

VOYAGEUR MINERALS LTD.Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended August 31		For the nine months ended August 31	
	2019	2018	2019	2018
EXPENSES				
General and administrative (note 6)	\$ 119,305	\$ 108,230	\$ 221,093	\$ 216,795
Professional fees (note 6)	37,150	87,136	74,164	91,592
Transfer agent and filing fees	10,267	3,122	17,409	18,116
Share-based compensation (note 8)	-	40,253	5,315	111,987
Wages and benefits (note 6)	46,495	46,765	146,904	143,143
Loss before other items	(213,217)	(285,506)	(464,885)	(581,633)
Other items				
Other income (note 8)	-	15,994	-	15,994
Gain on settlement of debt (note 7)	-	343,286	-	343,286
	-	359,280	-	359,280
Net and comprehensive income (loss)	\$ (213,217)	\$ 73,774	\$ (464,885)	\$ (222,353)
Basic and diluted loss per share	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding	58,613,806	46,764,920	55,813,687	45,572,978

The accompanying notes are an integral part of these consolidated interim financial statements

VOYAGEUR MINERALS LTD.Consolidated Interim Statements of Cash Flow
(Unaudited - Expressed in Canadian Dollars)

	For the nine months ended August 31	
	2019	2018
Cash provided by (used in):		
Operating activities		
Net and comprehensive loss for the period	\$ (464,885)	\$ (222,353)
Add item not involving cash:		
Gain on settlement of debt	-	(343,286)
Share-based compensation	5,315	111,987
Deferred income tax recovery	-	(15,994)
Non-cash working capital items		
GST input tax credits	(5,697)	20,033
Amounts receivable	(3,001)	1,350
Inventory	(10,114)	-
Prepaid expenses	3,074	(4,798)
Accounts payable and accrued liabilities	20,550	(46,877)
Loans and interest payable	39,838	16,250
Deferred creditors	-	28,766
Due to shareholders	(9,620)	(8,597)
Net cash (used in) operating activities	(424,540)	(463,519)
Investing activities		
Accounts payable and accrued liabilities	(7,837)	-
Property and equipment expenditures	(1,311)	(6,443)
Exploration and evaluation expenditures	(125,545)	(274,374)
Net cash (used in) investing activities	(134,693)	(280,817)
Financing activities		
Finance lease payments	(6,392)	(6,047)
Issuance of share capital	468,002	801,398
Share subscriptions advanced	50,000	-
Share issue costs	(16,642)	(35,495)
Net cash provided by (used in) financing activities	494,968	759,856
Change in cash and cash equivalents during the period	(64,265)	15,520
Cash and cash equivalents, beginning of the period	146,916	17,048
Cash and cash equivalents, end of the period	\$ 82,651	\$ 32,568

Supplemental cash flow information (note 12)

The accompanying notes are an integral part of these consolidated interim financial statements

VOYAGEUR MINERALS LTD.

Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share capital	Contributed surplus	Share subscriptions advanced	Deficit	Total Equity (Deficiency)
Balance at December 1, 2017	39,331,220	\$ 1,406,646	\$ 43,595	\$ 135,356	\$(1,674,834)	\$ (89,237)
Shares issued on private placements	10,476,733	785,755	-	(135,356)	-	650,399
Flow-through shares issued on private placement	1,655,000	151,000	-	-	-	151,000
Flow-through share premium liability	-	(30,494)	-	-	-	(30,494)
Unit warrants	-	(236,511)	236,511	-	-	-
Share issue costs	-	(45,393)	9,898	-	-	(35,495)
Share-based compensation	-	-	111,987	-	-	111,987
Net and comprehensive loss	-	-	-	-	(222,353)	(222,353)
Balance at August 31, 2018	51,462,953	\$ 2,031,003	\$ 401,991	\$ -	\$(1,897,187)	\$ 535,807
Balance at December 1, 2018	53,975,119	\$ 2,330,786	\$ 415,589	\$ -	\$(2,230,694)	515,681
Shares issued on private placements	6,675,353	500,651	-	-	-	500,651
Share subscriptions advanced	-	-	-	50,000	-	50,000
Flow-through shares issued on private placement	520,000	41,600	-	-	-	41,600
Flow-through share premium liability	-	(2,600)	-	-	-	(2,600)
Unit warrants	-	(29,726)	29,726	-	-	-
Share issue costs	-	(25,252)	8,610	-	-	(16,642)
Share-based compensation	-	-	5,315	-	-	5,315
Net and comprehensive loss	-	-	-	-	(464,885)	(464,885)
Balance at August 31, 2019	61,170,472	\$ 2,815,459	\$ 459,240	\$ 50,000	\$(2,695,579)	\$ 629,120

The accompanying notes are an integral part of these consolidated interim financial statements

VOYAGEUR MINERALS LTD.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Voyageur Minerals Ltd., formerly Golden Sun Capital Inc., (“Voyageur” or the “Corporation”) was incorporated under the Business Corporations Act (Alberta) on July 23, 2008. Voyageur, through its wholly owned subsidiaries, Voyageur Industrial Minerals Ltd. and Voyageur Minerals Inc., is in the business of acquiring, exploring and developing mineral exploration properties, primarily in the province of British Columbia and the state of Utah, USA. To date, the Corporation has not generated significant revenues from operations and is considered to be an exploration stage corporation.

On March 2, 2017, the Corporation completed a reverse takeover transaction (“RTO”) with Voyageur Industrial Minerals Ltd. (“VIM”). The Corporation acquired 100% of the shares of VIM in exchange for shares of the resulting entity on a 1:1 basis. As a result of the share exchange, VIM is considered to have control. While the Corporation is the legal acquirer, the accounting acquirer is VIM and these financial statements are consolidated and presented with VIM as the reporting entity. Concurrent with the RTO, the Corporation changed its name to Voyageur Minerals Ltd.

The address of the Corporation’s registered and records office is 1500 850 – 2ND Street S.W., Calgary, Alberta, T2P 0R8. The head office of the Corporation is located at 255, 339 – 50th Avenue S.E., Calgary, Alberta, T2G 2B3.

These consolidated interim financial statements have been prepared on the assumption that the corporation will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business.

The Corporation is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. Recovery of the capitalized costs shown for mineral properties will likely require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

As at August 31, 2019, the Corporation had not yet achieved profitable operations, has accumulated losses of \$2,695,579 since inception and expects to incur further losses in the development of its business, all of which cast substantial doubt on the Corporation’s ability to continue as a going concern. The continued operations of the Corporation are primarily dependent on its ability to raise exploration financing from equity markets or by selling or optioning its mineral properties. While the Corporation has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Corporation be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Corporation’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

2. Basis of presentation

Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Corporation’s audited annual financial statements for the year ended November 30, 2018, which have been prepared in accordance with IFRS.

VOYAGEUR MINERALS LTD.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

2. Basis of presentation (continued)

Approval of consolidated financial statements

These consolidated financial statements were authorized for issue on October 25, 2019 by the Audit Committee of the Board of Directors of the Corporation.

Basis of consolidation

These consolidated financial statements include the accounts of Voyageur Minerals Ltd., its wholly-owned Canadian subsidiary, Voyageur Industrial Minerals Ltd., and its wholly-owned US subsidiary, Voyageur Minerals Inc. Significant inter-company transactions and balances have been eliminated upon consolidation.

Voyageur's 50% owned subsidiary, ImagingX Pharmaceuticals Inc. ("ImagingX"), has had no operations to date so their accounts are not reflected in these statements.

Basis of measurement

These consolidated interim financial statements of the Corporation have been prepared on an accrual basis and are based on historical costs, modified where applicable. The policies applied in these financial statements are based on IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") issued and outstanding as of October 25, 2019, the date the Audit Committee approved the statements. These consolidated interim financial statements are presented in Canadian Dollars, which is also the Corporation's functional currency.

3. Summary of significant accounting policies

a) Significant accounting judgments, estimates and assumptions

The preparation of the Corporation's interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the interim financial statements:

- the determination that the Corporation will continue as a going concern for the next year.

b) Recent accounting pronouncements

New accounting standards issued but not yet effective

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Corporation has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

VOYAGEUR MINERALS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

4. Property and equipment

Cost		Property and equipment		Total
Balance, November 30, 2017	\$	54,410	\$	54,410
Additions		6,443		6,443
Balance, November 30, 2018		60,853		60,853
Additions		1,310		1,310
Balance, August 31, 2019	\$	62,163	\$	62,163
Accumulated depreciation and impairments				
Balance, November 30, 2017	\$	16,323	\$	16,323
Depreciation		12,636		12,636
Balance, November 30, 2018		28,959		28,959
Depreciation		7,596		7,596
Balance, August 31, 2019	\$	36,555	\$	36,555
Carrying Amount				
As at November 30, 2018	\$	31,894	\$	31,894
Balance, August 31, 2019	\$	25,608	\$	25,608

Depreciation expense related to exploration property and equipment is presented in exploration and evaluation assets (note 5).

Additions for the year ended November 30, 2018 consist of field computer equipment and software. Additions during the nine months ended August 31, 2019 consist of field computer equipment.

VOYAGEUR MINERALS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***5. Exploration and evaluation assets**

The Corporation has interests in five mineral properties located in British Columbia and Utah, USA as at August 31, 2019. These are Frances Creek, Jubilee Mountain, Pedley Mountain, Paradox Basin and Lithium King.

A summary of the capitalized acquisition and exploration expenditures on the Corporation's exploration and evaluation assets for the nine months ended August 31, 2019 and the year ended November 30, 2018 are as follows:

	Canada			USA		Total
	Frances Creek	Jubilee Mountain	Pedley Mountain	Paradox Basin	Lithium King	
Balance, Nov 30 2017	\$ 445,671	\$ 72,251	\$ 39,250	\$ 82,849	\$ 85,440	\$ 725,461
Claims fees	1,000	-	3,054	-	-	4,054
Geological and consulting	137,933	-	-	69,584	30,446	237,963
Assays and surveys	3,198	-	-	-	-	3,198
Site expenses	5,459	-	-	-	-	5,459
Insurance	6,190	-	-	-	-	6,190
Salaries and wages	64,134	-	-	-	-	64,134
Depreciation of exploration equipment	12,636	-	-	-	-	12,636
Mining exploration tax credit	(68,011)	-	-	-	-	(68,011)
Balance, Nov 30 2018	608,210	72,251	42,304	152,433	115,886	991,084
Claims fees	8,002	-	-	19,837	15,864	43,703
Geological and consulting	678	14,440	3,500	-	-	18,618
Assays and surveys	3,322	-	-	-	-	3,322
Site expenses	4,698	-	134	-	-	4,832
Insurance	5,353	-	-	-	-	5,353
Salaries and wages	49,717	-	-	-	-	49,717
Depreciation of exploration equipment	7,596	-	-	-	-	7,596
Mining exploration tax credit	-	-	-	-	-	-
Balance, Aug 31, 2019	\$ 687,576	\$ 86,691	\$ 45,938	\$ 172,270	\$ 131,750	\$ 1,124,225

Frances Creek, Jubilee Mountain, and Pedley Mountain – Canada

In fiscal 2013, the Corporation was granted the exclusive option (the "option") to purchase a 100% undivided interest in certain mineral properties located in the province of British Columbia referred to as "Pedley Mountain", "Jubilee Mountain" and "Frances Creek" (together, the "claims") from Tiger Ridge Resources Ltd. (the "Vendor"), a related party.

The Vendor has reserved a 3.5% gross milled sales return royalty on the production of barite and other industrial minerals and a 3.5% net smelter return royalty on the production of base and precious metals on all the claims. In addition, the claims are burdened by a previously existing royalty to the estate of Arthur Louis of \$2.00/tonne on finished barite and \$2.00/tonne on metals concentrate production.

VOYAGEUR MINERALS LTD.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

Frances Creek, Jubilee Mountain, and Pedley Mountain – Canada (continued)

The Corporation and the Vendor are related by virtue of the directors, officers and shareholder of the Vendor also being directors, officers and shareholder of the Corporation.

Paradox Basin - USA

In July 2016, the Corporation entered into an agreement to acquire, from the owner, a 100% interest in 89 mineral claims covering approximately 720 hectares in a lithium brine property located in the Paradox Basin of Utah, United States (the "ULI Project"). The claims have been staked by the owner and have been transferred to Voyageur's wholly owned US subsidiary.

On September 14, 2016, the Corporation entered into a Standstill Agreement with Anson Resources Ltd. ("Anson"). Under the terms of the agreement, Anson paid Voyageur a non-refundable deposit of US\$75,000 (CDN\$98,753) in exchange for the exclusive right to conduct due diligence on Voyageur's ULI Project for a period of 45 days and, based on its due diligence findings, earn into the project.

On March 27, 2017 the Corporation signed a formal Joint Venture agreement with Anson whereby Anson may earn up to 70% of the ULI Project by undertaking exploration activities on the project. Anson earned a 10% interest in the ULI Project upon signing of the formal Joint Venture agreement can earn further interests upon completing the following:

- 40% by defining the location(s) for one or more drill holes, issuing a NI 43-101 technical report, and incurring US\$666,000 in qualifying expenditures; and
- a further 20% by drilling and logging one or more holes, issuing an updated NI 43-101 technical report, and incurring US \$2,330,000 in qualifying expenditures.

The Corporation and Anson are currently in dispute as to whether or not the 40% earn-in has occurred on this agreement. Discussions are continuing between the parties.

Lithium King - USA

In March 2017, the Corporation entered into an agreement to acquire, from the owner, a 100% interest in 71 mineral claims covering approximately 563.62 hectares in a lithium brine property located in the salt flats of Utah, United States (the "Lithium King Property"). The claims were staked by the owner and have been transferred to Voyageur's wholly owned US subsidiary.

6. Related party transactions and balances

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the financial statements.

During the nine months ended August 31, 2019, the Corporation received sublease rent of \$13,500 (2018 - \$8,778) under a sublease rent agreement signed November 1, 2018 with a company related through a common officer. At August 31, 2019, \$4,501 (November 30, 2018 - \$1,500) was due to Voyageur under the agreement. See note 13 for further details on the agreement.

VOYAGEUR MINERALS LTD.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

6. Related party transactions and balances (continued)

During the nine months ended August 31, 2019 and 2018, certain expenses were paid for by shareholders who were also directors of the Corporation. As of August 31, 2019, the amount due to shareholders, including accrued interest, was \$152,543 (November 30, 2018 - \$196,575) and included in current liabilities. Of this amount, \$49,050 (November 30, 2018 - \$58,670) is unsecured, non-interest bearing.

Certain loans in the amount of \$79,305 (November 30, 2018 - \$119,208) are unsecured and bear interest at 10% per annum. Interest of \$24,188 has been accrued on these loans at August 31, 2019 (November 30, 2018 - \$18,697). By agreement with the shareholders, repayment of \$103,493 has been deferred to December 31, 2019. This resulted in the reclassification of this balance to long-term liabilities at November 30, 2018. On May 7, 2019, 990,021 units were issued to settle loans and accrued interest in the amount of \$74,250.

During the nine months ended August 31, 2019, the Corporation incurred professional fees of \$50,354 (2018 - \$82,050) due to a law firm of which a former director and shareholder is a partner. As of August 31, 2019, \$54,710 (November 30, 2018 - \$27,322) is included in accounts payable and accrued liabilities and \$Nil (2018 - \$290,884) is included in long-term liabilities.

During the nine months ended August 31, 2019, the Corporation recorded consulting fees of \$26,000 (2018 - \$27,000) in respect of services provided by certain officers of the Corporation, which have been included in general and administrative expenses. The Corporation also recorded wages and benefits expense of \$146,904 (2018 - \$143,143), and capitalized \$49,717 (2018 - \$48,086) in wages and benefits to exploration and evaluation assets, in respect of services provided by officers of the Corporation. As of August 31, 2019, \$Nil owing to these individuals is included in accounts payable and accrued liabilities and \$49,050 is included in amounts due to shareholders.

During the nine months ended August 31, 2019, the Corporation capitalized a total of \$1,200 (2018 - \$1,500) to exploration and evaluation assets for storage costs paid to a director and officer.

7. Reclamation deposits

Prior to commencement of exploration of a mineral property in British Columbia, a company is required to post a reclamation bond against any potential land restoration costs that may be incurred in the future, which is refunded upon completion of reclamation to the satisfaction of the Inspector of Mines. The Corporation has posted reclamation bonds of \$14,000 (2018 - \$14,000) with the Province of British Columbia, Canada.

Based on the Corporation being in the early stages of exploration, management believes minimal reclamation obligations exist. Management has recorded a provision of \$14,000 (2018 - \$14,000) at this time based on the bonds posted with the Ministry of Finance. Management believes this obligation is sufficient to cover any future reclamation costs.

8. Share capital

(a) Authorized

Unlimited number of Class A shares

Unlimited number of Class B and Class C preferred shares

VOYAGEUR MINERALS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***8. Share capital (continued)****(b) Issued and outstanding Class A common shares**

	August 31 2019		November 30, 2018	
	Number	Amount	Number	Amount
Balance, beginning of period	53,975,119	\$ 2,330,786	39,331,220	\$ 1,406,646
Issued on private placement	6,675,353	500,651	12,988,899	974,167
Flow-through shares issued on private placement	520,000	41,600	1,655,000	151,000
Flow-through share premium	-	(2,600)	-	(26,875)
Share issue costs	-	(25,252)	-	(130,112)
Value assigned to unit warrants	-	(29,726)	-	(44,040)
Balance, end of period	61,170,472	\$ 2,815,459	53,975,119	\$ 2,330,786

2019

On May 7, 2019, the Corporation closed a private placement raising a total of \$240,652 through the sale of 3,208,687 units at \$0.075 per unit. Each unit contained one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.15 for a two year period. The unit warrants have been valued at \$11,093 using the residual value method.

In connection with the May 7, 2019 private placement, the Corporation paid cash of \$16,640 and issued 221,687 broker warrants with a fair value of \$8,610. The broker warrants were valued using the Black Scholes option pricing model with the following assumptions: market price of \$0.08, term of two years; volatility of 130%; dividend of 0%; and discount rate of 1.58%.

On July 23, 2019, 2019, the Corporation closed a private placement raising a total of \$260,000 through the sale of 3,466,666 equity units at \$0.075 per unit and 520,000 flow-through units at \$0.08 per unit. Each equity unit contains one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.15 for a two year period. Each flow-through unit contains one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.20 for a two year period. The unit warrants have been valued at \$18,633 using the residual value method.

A flow-through premium liability of \$0.005 per unit has also been recorded to recognize the sale of tax deductions for a total premium liability of \$2,600.

VOYAGEUR MINERALS LTD.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

8. Share capital (continued)

(b) Issued and outstanding Class A common shares (continued)

2018

On December 5, 2017, the Corporation closed the second tranche of a private placement originally announced August 3, 2017. In this tranche the Corporation raised a total of \$237,356 through the sale of 3,164,752 units at \$0.075 per unit. Each unit contained one non-flow through common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one non-flow through common share at a price of \$0.15 for a two year period. The unit warrants have been valued at \$3,165 using the residual value method.

In connection with the December 5, 2017 private placement, the Corporation paid cash of \$8,160 and issued 108,800 broker warrants with a fair value of \$5,008. The broker warrants were valued using the Black Scholes option pricing model with the following assumptions: market price of \$0.085, term of two years; volatility of 130%; dividend of 0%; and discount rate of 1.54%.

On December 29, 2017, the Corporation closed the first tranche of a private placement originally announced on December 13, 2017. In this tranche, the Corporation raised a total of \$211,125 through the sale of 1,575,000 equity units at \$0.075 per unit and 930,000 flow-through units at \$0.10 per unit. Each equity unit is comprised of one common share and one common share purchase warrant. Each purchase warrant entitles the holder to purchase one common share at a price of \$0.15 for a two year period. Each flow-through unit is comprised of one flow-through common share and one-half share purchase warrant. Each whole warrant is exercisable for one common share at a price of \$0.15 for a two year period. The unit warrants have been valued at \$2,040 using the residual value method.

In connection with the December 29, 2017 private placement, the Corporation paid cash of \$16,890 and issued 200,400 broker warrants with a fair value of \$11,488. The broker warrants were valued using the Black Scholes option pricing model with the following assumptions: market price of \$0.10, term of two years; volatility of 130%; dividend of 0%; and discount rate of 1.68%.

A flow-through premium liability of \$0.025 per unit has also been recorded to recognize the sale of tax deductions for a total premium liability of \$23,250. During the year ended November 30, 2018, the Corporation incurred qualifying flow-through expenditures resulting in other income of \$23,250.

On April 11, 2018, the Corporation closed the first tranche of a private placement originally announced March 7, 2018. In this tranche the Corporation raised a total of \$126,911 through the sale of 1,692,147 units at \$0.075 per unit. Each unit contained one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.15 for a two year period. The unit warrants have been valued at \$1,692 using the residual value method.

On June 13, 2018, the Corporation closed a private placement raising a total of \$110,025 through the sale of 1,467,000 units at \$0.075 per unit. Each unit contained one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.15 for a two year period. The unit warrants have been valued at \$22,005 using the residual value method.

On August 28, 2018, the Corporation closed a private placement raising a total of \$251,338 through the sale of 725,000 flow-through shares at \$0.08 per share and 2,577,834 units at \$0.075 per unit. Each unit contained one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.15 for a two year period. The unit warrants have been valued at \$2,578 using the residual value method.

VOYAGEUR MINERALS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***8. Share capital (continued)****(b) Issued and outstanding Class A common shares (continued)**

In connection with the August 28, 2018 private placement, the Corporation paid cash of \$8,907 and issued 118,760 broker warrants with a fair value of \$4,632. The broker warrants were valued using the Black Scholes option pricing model with the following assumptions: market price of \$0.08, term of two years; volatility of 130%; dividend of 0%; and discount rate of 2.14%.

A flow-through premium liability of \$0.005 per unit has also been recorded to recognize the sale of tax deductions for a total premium liability of \$3,625. During the year ended November 30, 2018, the Corporation incurred qualifying flow-through expenditures resulting in other income of \$3,625.

On November 2, 2018, the Corporation closed a private placement raising a total of \$188,412 through the sale of 2,512,166 equity units at \$0.075 per unit. Each unit contained one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.15 for a two year period. The unit warrants have been valued at \$12,560 using the residual value method.

In connection with the November 2, 2018 private placement, the Corporation paid cash of \$18,841 and issued 301,459 broker warrants with a fair value of \$11,772. The broker warrants were valued using the Black Scholes option pricing model with the following assumptions: market price of \$0.075, term of two years; volatility of 130%; dividend of 0%; and discount rate of 2.30%.

The total shares escrowed at August 31, 2019 were 6,399,270 (November 30, 2018 – 11,025,000), all of which were held by directors and officers of the Corporation and were escrowed upon completion of the Corporation's qualifying transaction. The escrowed shares will be released in equal tranches of 15% every six months from March 6, 2017.

(c) Warrants

Details of common share purchase warrants outstanding at August 31, 2019 are as follows:

	August 31 2019		November 30, 2018	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	21,800,052	\$ 0.16	9,321,884	\$ 0.18
Issued on private placements	6,935,353	0.15	13,453,899	0.15
Issued to brokers on private placements	221,687	0.15	729,419	0.15
Expired	(1,312,524)	0.15	(1,705,150)	0.19
Outstanding - end of period	27,644,568	\$ 0.16	21,800,052	\$ 0.16

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AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***8. Share capital (continued)****(c) Warrants (continued)**

As at August 31, 2019, the following share purchase warrants were outstanding:

Number of Warrants	Exercise price	Expiry date
3,273,552	\$ 0.15	December 5, 2019
2,240,400	\$ 0.15	December 29, 2019
1,767,940	\$ 0.20	March 2, 2020
4,536,270	\$ 0.18	March 2, 2020
1,692,147	\$ 0.15	April 12, 2020
1,467,000	\$ 0.15	June 15, 2020
2,696,594	\$ 0.15	August 29, 2020
2,813,625	\$ 0.15	October 30, 2020
3,430,374	\$ 0.15	May 7, 2021
3,466,666	\$ 0.15	July 23, 2021
260,000	\$ 0.20	July 23, 2021
<u>27,644,568</u>	<u>\$ 0.16</u>	

During the period ended August 31, 2019, the Corporation received TSX Venture Exchange approval to extend the expiry date of 6,304,210 outstanding share purchase warrants that are exercisable for common shares of the Corporation at \$0.18 and \$0.20. The warrants were issued as part of the private placement which closed on March 2, 2017. The warrants were set to expire on March 2, 2019 and will now expire on March 2, 2020. All other terms of the warrants remain unchanged.

The weighted average remaining contractual life of the issued and outstanding warrants at August 31, 2019 was 0.93 years.

(d) Stock options

The Corporation has adopted an incentive stock option plan which provides that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable up to five years from the date of grant. The fair value of each option grant will be estimated on the date of grant using the Black-Scholes option pricing model. Stock options issued and outstanding are as follows:

	August 31, 2019		November 30, 2018	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding - beginning of period	4,229,441	\$ 0.10	-	\$ -
Issued	-	-	4,229,441	0.10
Outstanding - end of period	<u>4,229,441</u>	<u>\$ 0.10</u>	<u>4,229,441</u>	<u>\$ 0.10</u>

VOYAGEUR MINERALS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

*(Expressed in Canadian Dollars)***8. Share capital (continued)****(d) Stock options (continued)**

Details of the share options outstanding and exercisable as at August 31, 2019 are as follows:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Exercise Price	Weighted Average Remaining Life
May 31, 2023	250,000	250,000	-	\$ 0.10	3.75 years
December 5, 2022	3,979,441	3,979,441	-	\$ 0.10	3.27 years

On December 5, 2017, the Corporation granted 3,979,441 incentive stock options to directors and officers and a further 250,000 options on May 31, 2018. These options vest over a two year period, 50% upon grant and 50% on the first anniversary after the grant and are exercisable at \$0.10 per share for a period of five years. The total estimated fair value of \$300,369, \$0.0721 and \$0.0538 a share, is being amortized over 24 months using graded vesting. The fair value of the options was calculated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 1.70% and 2.1%, expected life of 5 years, no annual dividend, expected volatility of 130% and a forfeiture rate of 0%. During the nine months ended August 31, 2019, the amount reflected as share based compensation expense was \$5,315 (2018 - \$71,734).

As at August 31, 2019, stock options outstanding had a weighted average remaining life of 3.29 years.

9. Financial instruments

As at August 31, 2019 and November 30, 2018, the Corporation's financial instruments consist of cash and cash equivalents, amounts receivable, reclamation deposits, accounts payable and accrued liabilities, deferred creditors, due to shareholders and loans and interest payable. The amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to the short-term nature and negligible credit losses. These financial instruments are classified as follows:

- Cash and cash equivalents – fair value through profit and loss
- Amounts receivable – loans and receivables
- Reclamation deposits – loans and receivables
- Accounts payable and accrued liabilities – other financial liability
- Deferred creditors – other financial liability
- Due to shareholders – other financial liability
- Finance lease obligation – other financial liability
- Loans and interest payable – other financial liability

The Corporation does not use derivative instruments or hedges to manage risks because the Corporation's exposure to credit risk, interest rate risk and currency risk is small.

VOYAGEUR MINERALS LTD.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

9. Financial instruments (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash and cash equivalents is exposed to credit risk, however the risk is deemed small because the counterparty is a highly rated banks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's cash and cash equivalents are exposed to interest rate risk as the Corporation invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents.

Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign currency risk as certain monetary financial instruments are denominated in United States dollars. At August 31, 2019, total assets include cash of US\$49,994 (November 30, 2018 - \$380) and total liabilities include accounts payable of US\$188,623. The Corporation has not entered into any foreign currency contracts to mitigate this risk. The Corporation's sensitivity analysis suggests that a change in the absolute rate of exchange in the US dollar by 10% would increase or decrease net loss by \$18,448 (November 30, 2018 - \$18,300) in these consolidated interim financial statements.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation's accounts payable and accrued liabilities are all current and due within 90 days of the statement of financial position date. The Corporation ensures that it has sufficient capital to meet short term financial obligations after taking into account cash and cash equivalents on hand.

10. Capital management

The Corporation's objectives when managing capital are:

- To safeguard the Corporation's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to meet ongoing operating costs.
- To invest cash on hand in highly liquid and highly rated financial instruments.

In the management of capital, the Corporation includes shareholders' equity, cash and cash equivalents in the definition of capital. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

There have been no changes with respect to the overall capital management strategy during the periods ended August 31, 2019 and November 30, 2018.

VOYAGEUR MINERALS LTD.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian Dollars)

11. Commitments and contingencies

Rental Lease Agreement

On November 1, 2018, the Corporation signed a one year rental agreement expiring on October 31, 2019 calling for monthly payments of \$3,707 for a total commitment of \$7,414 at August 31, 2019.

Over the same time period, the Corporation has agreed to sublease an area of the lease to a company related through a common officer. The monthly amount due to the Corporation is \$1,501 totalling \$3,002.

Flow-through shares

As a result of the issuance of flow-through shares during the period ended August 31, 2019, the Corporation had a commitment to incur \$41,600 in qualifying expenditures on or before December 31, 2020. As of August 31, 2019, the remaining commitment is \$41,600.

12. Supplemental cash flow information

The following outlines the supplemental cash flow details during the nine month periods ending August 31, 2019 and 2018:

	2019	2018
Non-cash transactions:		
Interest accrued on loans payable (note 7)	\$ 24,188	\$ 16,250
Flow-through share premium liability (note 9)	2,600	30,494
Broker warrants issued as share issue costs (note 9)	8,610	9,898
Value assigned to unit warrants (note 9)	29,726	236,511
Shares issued to settle debt (note 7)	74,250	-
Depreciation capitalized to exploration and evaluation assets (note 5)	7,596	9,779
Share-based compensation (note 9)	5,315	111,987

VOYAGEUR MINERALS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS***AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019 AND 2018**(Expressed in Canadian Dollars)*

13. Finance lease obligation

The Corporation entered into an agreement for the lease of equipment. This lease agreement transferred substantially all the risks and rewards incidental to the ownership of the equipment to the Corporation and the Corporation considered it as a purchase and finance agreement. Accordingly, at the commencement of the lease term, the Corporation recognized this agreement as the acquisition of an asset and liability at amounts equal to the present value of the minimum lease payments. The equipment under finance lease was recognized in property and equipment. The lease is for a period of 5 years with payments of \$888 due monthly. The discount rate used in calculating the present value of the minimum lease payments was the interest rate implicit in the finance lease of 5.475%.

	August 31	November 30
	2019	2018
Present value lease payments outstanding	\$ 35,351	\$ 41,743
Less current portion	(8,943)	(8,584)
Long-term portion	\$ 26,408	\$ 33,159

At August 31, 2019, the net carrying amount of the leased equipment was \$20,662.

14. Subsequent event

Subsequent to August 31, 2019, the Corporation announced changes to its board of directors. As a result of these changes, stock options totaling 1,539,720 will expire within the next three months.